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Poultry and Products

New Import Requirements

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Report Highlights:

Negotiations with Romania's veterinary Agency resulted in new Food Safety Inspection Service (FSIS) certificates for fresh and frozen poultry. The new certificates must accompany shipments that arrive in Romania on or after May 15, 2002. Conversely, the Government of Romania has also implemented export subsidies and domestic support payments.

Current Situation of the Poultry Sector	. Page 2 of	5
Tariff Protection Lowered but Still High	. Page 2 of	5
The European Union Remains the Leading Poulty Exporter to Romania	. Page 2 of	5
New Food Safety Inspection Service (FSIS) Export Certificate	. Page 3 of	5

Current Situation of the Poultry Sector

According to official Romanian Ministry of Agriculture data, the poultry industry has started to recover in the past two years. In 2001, the total domestic supply of poultry meat (i.e., about 350,000 MTs live weight¹) was 6% higher than one year earlier (this includes both commercial production and self-consumption from small households and subsistence flocks, that do not reach the market).

The Ministry of Agriculture announced in the beginning of the year its commitment to further sustain the livestock and poultry industry in Romania. The GOR will provide export incentives of \$203 per metric ton for an export quota of 4000 MTs (i.e., a budgetary outlay of about \$0.8 million). In addition, the GOR budgeted \$8.6 million for domestic support payments for 100,000 MTs. The GOR hopes that this measure will help domestic poultry producers compete with with low priced imports or imports entering Romania free of customs duties².

Tariff Protection Lowered but Still High

Import tariffs were lowered significantly for most agricultural products starting 1997. Poultry has traditionally been considered particularly sensitive and, as a consequence, highly protected by Romania. For poultry meat, tariff protection was reduced (in several stages) from 108.8% (WTO bound, or maximum level) to a current 45 percent.

As a result of "double zero" trade negotiations with the European Union, which will lead to eventual free trade in selected agricultural products, Romania offers "zero" treatment for the a quota of 3450 MTs of chilled and frozen poultry meat³ sourced from the EU in 2002.

Central European Free Trade Agreement (CEFTA) member countries enjoy a preferential customs duty level of 28 percent on their exports to Romania.

The European Union Remains the Leading Poulty Exporter to Romania

In calendar year 2001, Romania imported 25,700 MTs of poultry meat (\$27.7 million, cif prices), mainly from the EU (mostly from The Netherlands and Belgium). Of this amount, 11,120 MTs (\$7.8 million) were sourced from the U.S. (the second largest supplier), at an average cif price of \$700 per ton. The bulk of the U.S. shipments (10,300 MTs) were chicken leg quarters (Harmonized System code 020714). Another portion was "mechanically deboned meat" (MDM).

Imports in January-April 2002 reached 16,885 MTs, of which the almost 13,000 MTs of chicken leg quarters (the US supplying 1844 MTs at approximately \$680/ton).

² As per the current legislation on disadvantaged regions in Romania.

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¹ MinAg provisional data.

³ This quota will be annually increased by 10%

There are still important structural and organizational problems facing the Romanian poultry industry, which result in inefficiencies and high production costs. Domestic producers are increasingly active in exerting pressure on Romania's Ministry of Agriculture to protect their interests. There is also some evidence of the use of non-tariff barriers by Romania.

The Romanian Veterinary Agency (RVA) considers MDM to be "human health hazardous", because of the high risk of contamination with the bacteria Salmonella and currently requires negative findings for Salmonella contamination based on 25 gram sample testing. As the product was entering Romania only for further processing under heat treatment, the final meat product is totally free of Salmonella. Thus, the Romanian veterinary requirement does not have a solid scientific and has on obstructed poultry exports.

New Food Safety Inspection Service (FSIS) Export Certificate

Starting May 15, a new health certificate is required for U.S. exports of fresh and frozen poultry meat to Romania. The certificate was negotiated as part on an on-going effort by the Romanian Veterinary Agency to adopt EU regulations into national legislation. The negotiations resulted in a certificate that recognizes U.S. standards as equivalent to those of the EU. Furthermore, the certificates contain direct references to EU directives that do not, however, override U.S. regulatory practices.

The final version of the export vet certificate to be issued by FSIS will be bilingual (English and Romanian) and is summarized below.

Fresh poultry meat means any parts of domestic fowl, t urkeys, guinea fowl, geese and ducks, which are fit for human consumption and which have not undergone any treatment other than cold treatment to ensure its preservation, and is vacuum wrapped meat or meat wrapped in a controlled atmosphere.

The following type of information should be provided by the USDA health certificate for poultry meat:

- C name and address in full of company-importer;
- C name and address in full of company-exporter;
- **c** country of origin: the United States of America;
- C region of origin;
- C name of the products;
- C number and type of packages;
- C date of freezing;
- C identification marks;
- c export number of the establishment registered for exports (company, slaughterhouse, cutting plant, warehouse or refrigerated warehouse);
- C countries of transit:

- C means of transportation;
- C certificate of fitness of the goods for the consumption;
- C date and place of issuing of the document;
- name and self signed signature of the officially authorized state official issuing the document;
- C original stamp of the state veterinary service.

The certificate of fitness of the goods for the consumption is a veterinary-sanitary statement by which the authorized person issuing the document officially declares the wholesomeness, safety and purpose of use of the product. By this, the official veterinarian certifies that:

- 1. That the United States or region is free from avian influenza and Newcastle disease, as defined in the International Animal Health Code of OIE.
- 2. That the meat described above is obtained from poultry which:
- (a) have been held in the territory of the United States, the specified region, since hatching or have been imported as day-old chicks;
- (b) came from holdings:
- which have not been placed under animal health restrictions in connection with a poultry disease;
- around which, within a radius of 10 km, there have been no outbreaks of avian influenza or Newcastle disease for at least 30 days;
- (c) have not been slaughtered in the context of any animal health scheme for the control or eradication of poultry diseases;
- (d) have/have not been vaccinated against Newcastle disease using a live vaccine during the 30 days preceding slaughter;
- (e) during transport to the slaughterhouse did not come into contact with poultry suffering from avian influenza or Newcastle disease.
- 3. That the poultry meat described:
- (a) comes from the slaughterhouses which, at the time of the slaughter, are not under restrictions due to a suspect or actual outbreak of avian influenza or Newcastle disease and around which, within a radius of 10 km, there have been no outbreaks of avian influenza or Newcastle disease for at least 30 days;
- (b) has not been in contact, at any time of slaughter, cutting, storage or transport with meat which does not fulfill the requirements of Directive 91/494/EEC.
- 4. That the meat described fulfils the requirements of condition equivalent to Council Directive 71/118/EEC, and has been found fit for human consumption following ante and post-mortem inspection carried out in a manner equivalent to this Directive.

- 5. That the meat described above has/has not been subjected to an immersion chilling process.
- 6. That the meat described above has been marked in a manner equivalent to Article 2 of Decision 96/712/EEC.